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Exhibit "A"

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# AGL Life Assurance Company

## FLEXIBLE PREMIUM VARIABLE LIFE INSURANCE CONTRACT

### Provision of Benefits

AGL Life Assurance Company promises to provide the benefits described in this Contract. This promise is subject to the terms of this Contract. It is made in return for your Application and payment of the required premiums. This is a legal contract between you and us. PLEASE READ THIS CONTRACT CAREFULLY. The words "we," "us," "our," and "company" refer to AGL Life Assurance Company.

This Contract takes effect on the Policy Date. It continues in force as long as the Net Account Value is sufficient to pay the Monthly Charges, as described herein.

### Notice of 10 Day Right to Examine Your Policy (Free Look Period)

This Contract may be canceled at any time within ten (10) days after it is received or within forty five (45) days after the date of the Application, whichever is later. This Contract must be returned to us at our Home Office or to the agent through whom it was purchased. Written notice of cancellation is also needed. If this Contract is canceled, it will be as though this Contract had never been issued. Any premium paid will be returned to you minus any Death Benefits paid, Partial Withdrawals taken, and any Contract Loans, together with accrued but unpaid interest on such Contract Loans, if allowed by the law of the Governing Jurisdiction.

This Contract is issued by a stock company and is governed by the laws of the Governing Jurisdiction (See Contract Schedule A).

This policy may only be sold to an accredited investor as defined by law or in an offer and sale which otherwise satisfies all conditions applicable to offers and sales made under Regulation D. Its ownership may not be transferred without our permission. It may only be transferred to another accredited investor or in an offer and sale which otherwise satisfies all the conditions otherwise applicable to offers and sales made under Regulation D. If you cease to be an accredited investor or if all the conditions applicable to offers and sales made under Regulation D are no longer satisfied, then we may exchange this policy for another policy that is exempt from registration or is registered as required by law. If you do not accept such change, you must notify us in writing within thirty (30) days of receipt of the new policy. We also reserve the right to prevent an exchange of this policy in accordance with Internal Revenue Code Section 1035 in a situation where such exchange would violate the investor control requirements of the Internal Revenue Code.

**ALL VALUES OR PAYMENTS PROVIDED BY THIS CONTRACT WHEN BASED ON THE EXPERIENCE OF A VARIABLE ACCOUNT MAY INCREASE OR DECREASE AND ARE NOT GUARANTEED AS TO DOLLAR AMOUNT. THE AMOUNT AND DURATION OF THE DEATH BENEFIT MAY BE VARIABLE OR FIXED UNDER CERTAIN CONDITIONS (SEE PART 2, INSURANCE PLAN).**

Signed at Plymouth Meeting, Pennsylvania, on the Policy Date.



SECRETARY



PRESIDENT

### Variable Life Insurance.

Face Amount payable if Insured dies while the policy is in force.

Flexible Premiums payable while the Insured is living until the Maturity Date.

Non participating, no dividends are payable.

Home Office: 610 West Germantown Pike, Suite 460, Plymouth Meeting, Pennsylvania 19462

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**CONTRACT SCHEDULE A****GENERAL CONTRACT AND INSURED INFORMATION**

Contract Number:	VL300222
Contract Holder:	The Michael S. Rulle Family Dynasty Trust Agreement of 2001, dtd 9/27/01
Contract Year:	October 5 through October 4
Policy Date:	October 5, 2001
Maturity Date:	October 5, 2049
Beneficiary:	The Michael S. Rulle Family Dynasty Trust Agreement of 2001, dtd 9/27/01

Depending on the premium paid, coverage may not continue to the Maturity Date. If coverage continues to the Maturity Date, the net account value to be paid may be zero or small.

**INSURED INFORMATION**

Insured:	Michael S. Rulle
Date of Birth:	7/22/50
Issue Age:	51
Sex:	Male
Underwriting Class:	Advantage
Smoker Status:	Non-smoker
Social Security Number:	<del>XXXXXXXXXX</del>
Residence:	165 Cherry Lane Mendham, NJ 07945

**BASIC CONTRACT INFORMATION**

Plan:	Flexible Premium Variable Life Insurance
Death Benefit Option:	Option 1
Riders:	None
Governing Jurisdiction:	AK
State of Issuance:	AK
Initial Face Amount:	\$17,600,000.00
Initial Premium:	\$1,200,000.00
Initial Net Premium:	\$1,160,200.00
Maximum Premium:	n.a.
Minimum Premium:	\$250,000.00

**NET PREMIUM ALLOCATION LIMITATIONS**

You may direct the allocation of the Net Premium to any Investment Account as described in Contract Schedule C.

During the Free Look Period, however, the allocation of the Net Premium will be limited to the Money Market Investment Account.

No Net Premium may be allocated by you to our General Account.

**PARTIAL WITHDRAWALS**

Minimum withdrawal Amount: \$10,000.00

**BASIS OF COMPUTATIONS**

Mortality Table:	1980 Commissioners Standard Ordinary Table, Age Nearest Birthday
Interest Rate:	4.00% per year 0.327374% monthly equivalent

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## **CONTRACT SCHEDULE B**

### **CONTRACT CHARGES AND FEES**

Charges displayed in this schedule are the maximum charges under this Contract. Current charges may be lower than those shown.

#### **PREMIUM LOADS**

Premium Loads are deducted from each premium payment.

Distribution Charge:	3.50% of Initial Premium 3.50% of Subsequent Premium
Premium Tax Charge:	A charge calculated to approximate the aggregate of taxes based on premiums received imposed on us by the jurisdiction in which you reside.

#### **MONTHLY CHARGES**

Monthly Charges are deducted from the Account Value.

Asset Charges:	Asset Charges are deducted by us on a daily basis from each Investment Account managed directly by one or more investment managers. The Asset Charges for the Investment Accounts are shown in Contract Schedule C.
Mortality and Expense Risk Charge:	0.103575% monthly (equivalent to 1.25% annually)
Cost of Insurance:	See Contract Schedule E.

#### **ANNUAL CHARGES**

Annual Loan Charges are added to the Loan Amount.

Loan Interest:	4.60% annually in arrears.
Loan Interest Spread:	0.60%

#### **POLICY LOAD**

A policy load is deducted on the policy date and on the effective date of any increase in Face Amount.

Policy Load:	The smaller of the following: (i) \$700.00; or (ii) Larger of \$200.00 or \$0.10 per \$1,000 of face amount.
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#### **OTHER CHARGES**

We reserve the right to deduct from this Contract's Account Value an amount equivalent to any federal, state, or local taxes or other governmental charge that we determine to be properly attributable to this Contract.

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## CONTRACT SCHEDULE C

### VARIABLE ACCOUNT

The Variable Account for this policy is the Life Variable Portfolio. The assets of the Variable Account shall be available to cover the liabilities of the general account only to the extent that the assets of the Variable Account exceed the liabilities of the Variable Account arising under the policies supported by the Variable Account. The assets of the Variable Account shall be valued as often as policy benefits vary but at least monthly. See the Valuation Period provision on page 13 for more details.

### THE INVESTMENT ACCOUNTS

Each of the Investment Accounts invests in securities authorized by Pennsylvania law.

This Schedule may be amended from time to time to add or delete Investment Accounts. The investment policy of an Investment Account may not be changed without the approval of the Pennsylvania insurance commissioner. The approval process is on file with the commissioner.

### LIMITATION ON TRANSFER

The maximum number of transfers allowed among Investment Accounts per Contract Year is four (4)

#### **Investment Account 1 – Money Market Account\***

**Objective:** To achieve high current income consistent with preservation of capital and maintenance of liquidity.

**Strategy:** Investing primarily in investment grade securities with an average maturity of 91 days or less.

**Asset Charges:** 0.20%<sup>†</sup> (annual equivalent)

#### **Investment Account 2 – American Masters Opportunity Insurance Fund, L.P. Account**

**Objective:** To (i) achieve long-term capital appreciation and (ii) consistently generate positive returns irrespective of stock market volatility or direction, while focusing on the preservation of capital.

**Strategy:** Investment strategy is to invest with various portfolio managers believed to be able to meet the Partnership's objectives.

**Asset Charges:** 1.00%<sup>†</sup> (annual equivalent) for net assets up to \$25,000,000;  
0.75%<sup>†</sup> (annual equivalent) for net assets over \$25,000,000.

<sup>†</sup> Amounts shown are in addition to fees directly charged as a result of investments.

\* This account is designated the Money Market Investment Account.

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# CONTRACT SCHEDULE D

## FACE AMOUNT

Minimum Face Amount: \$50,000

Maximum Face Amount: Subject to underwriting.

Increases in Face Amount will require evidence of insurability. Increases will be subject to a policy load as shown in Contract Schedule B.

<u>Contract Years</u>	<u>Table of Selected Face Amounts</u>
All	\$17,600,000

We reserve the right to reduce the Death Benefit of this policy by requiring one or more partial withdrawals. The function of these partial withdrawals shall be to limit the Net Amount at Risk to an amount not greater than Maximum Net Amount at Risk shown below. Failure to require any partial withdrawal under this provision shall not be deemed to waive our right to require future withdrawals permitted by this endorsement.

Maximum Net Amount at Risk: The smaller of (1) \$17,600,000 and (2) the reduced Face Amount should you choose to reduce the Face Amount at a later date.

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## CONTRACT SCHEDULE E

### COST OF INSURANCE

The maximum monthly Cost of Insurance rates are for each \$1,000 of Net Amount at Risk (NAR). Current charges may be lower than those shown. The applicable monthly rates for this policy are the amounts shown below.

Attained Age	Male	Female	Attained Age	Male	Female	Attained Age	Male	Female
0	0.349002	0.241153	35	0.176004	0.137604	70	3.353673	1.861440
1	0.089210	0.072529	36	0.186859	0.146785	71	3.681990	2.041944
2	0.082538	0.067525	37	0.200220	0.157637	72	4.060290	2.267226
3	0.081703	0.065857	38	0.215255	0.170159	73	4.496204	2.544475
4	0.079201	0.064189	39	0.232798	0.185189	74	4.983518	2.872449
5	0.075031	0.063355	40	0.252016	0.201891	75	5.513314	3.243922
6	0.071695	0.060854	41	0.274581	0.220267	76	6.076525	3.653355
7	0.066691	0.060020	42	0.297152	0.239482	77	6.665690	4.094284
8	0.063355	0.058352	43	0.323074	0.257865	78	7.275881	4.567162
9	0.061688	0.057518	44	0.349839	0.277089	79	7.923872	5.085703
10	0.060854	0.056684	45	0.379960	0.297152	80	8.635205	5.672859
11	0.064189	0.057518	46	0.410928	0.317220	81	9.430778	6.360514
12	0.070861	0.060020	47	0.444418	0.338128	82	10.338952	7.140527
13	0.082538	0.062522	48	0.479596	0.361551	83	11.373499	8.058585
14	0.095884	0.066691	49	0.518979	0.386655	84	12.513845	9.091985
15	0.110901	0.070861	50	0.560894	0.414276	85	13.737727	10.231576
16	0.125921	0.075031	51	0.610378	0.443581	86	15.021846	11.470894
17	0.139273	0.079201	52	0.665766	0.476246	87	16.356613	12.808170
18	0.148455	0.081703	53	0.728747	0.513950	88	17.737983	14.246631
19	0.155132	0.085040	54	0.800179	0.552509	89	19.171986	15.797873
20	0.158471	0.087542	55	0.876715	0.592762	90	20.677655	17.482656
21	0.159306	0.089210	56	0.960053	0.633033	91	22.287142	19.335048
22	0.157637	0.090879	57	1.046840	0.671642	92	24.063468	21.418993
23	0.155132	0.092547	58	1.139616	0.708588	93	26.119928	23.852379
24	0.151793	0.095050	59	1.239245	0.748070	94	28.812997	26.926360
25	0.147620	0.096718	60	1.349979	0.792613	95	32.817580	31.310115
26	0.144281	0.099221	61	1.473551	0.848112	96	39.642945	38.504789
27	0.142612	0.101724	62	1.613407	0.917954	97	53.066045	52.275714
28	0.141777	0.105061	63	1.772172	1.007228	98	83.333333	83.333333
29	0.142612	0.108398	64	1.949093	1.110930			
30	0.144281	0.112570	65	2.143422	1.224040			
31	0.148455	0.116742	66	2.350996	1.343212			
32	0.152628	0.120914	67	2.572761	1.464235			
33	0.159306	0.125086	68	2.808822	1.583722			
34	0.166820	0.131762	69	3.065321	1.712709			



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**CONTRACT SCHEDULE F****DEATH BENEFIT COMPUTATION****TABLE OF MINIMUM DEATH BENEFIT FACTORS**

<u>Attained Age</u>	<u>Factor</u>	<u>Attained Age</u>	<u>Factor</u>
0-40	2.50	60	1.30
41	2.43	61	1.28
42	2.36	62	1.26
43	2.29	63	1.24
44	2.22	64	1.22
45	2.15	65	1.20
46	2.09	66	1.19
47	2.03	67	1.18
48	1.97	68	1.17
49	1.91	69	1.16
50	1.85	70	1.15
51	1.78	71	1.13
52	1.71	72	1.11
53	1.64	73	1.09
54	1.57	74	1.07
55	1.50	75-90	1.05
56	1.46	91	1.04
57	1.42	92	1.03
58	1.38	93	1.02
59	1.34	94	1.01
		95-98	1.00

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The following terms have special meaning as they are used in this policy. That meaning is explained here. Other terms that have special meaning are explained in the policy.

**Accumulation Units.** Accumulation Units are used to measure the Account Value allocated to each Investment Account.

**Age.** The Issue Age plus the number of completed Contract Years. Issue Age is the Attained Age of the Insured on the birthday nearest the Policy Date. Issue Age is shown in Schedule A.

**Beneficiary.** Any person or entity named in our records to receive the insurance proceeds after the Insured dies.

**Borrowed Fund.** An account established for any amounts transferred from the Investment Accounts as a result of loans. The account is credited with interest and is not based on the experience of any Investment Account.

**Contract Anniversary.** The day that marks the start of a new Contract Year.

**Contract Holder.** Referred to as You or Your. The owner of this Contract, as shown in our records. All of the rights and benefits of this Contract belong to you, unless otherwise stated herein.

**Contract Year.** Each successive twelve month period starting on the Policy Date.

**Face Amount.** The amount of insurance under this Contract. The Initial Face Amount is shown in Contract Schedule A. Thereafter, it may change in accordance with the terms of the provisions of Part 2, Insurance Plan, Part 8, Partial Withdrawals and Contract Schedule D.

**Governing Jurisdiction.** The state or jurisdiction in which this Contract is delivered and whose laws govern its terms.

**Investment Account.** Each of the Investment Accounts collectively comprise the Variable Account. The assets of each Investment account are invested separately.

**Policy Date.** The date used to begin calculating Monthly Charges and Annual Charges. The Policy Date is shown in Contract Schedule A. Computation of Contract Months starts with the Policy Date.

**Monthly Calculation Date.** This date determines the day for calculating Monthly Charges under this Contract. The day Monthly Charges are deducted from the Account Value. It is the same day of each succeeding month as the Policy Date except that whenever the Monthly Calculation Date falls on a day other than a Valuation Day it is deemed to be the next Valuation Day. If any Monthly Calculation Date would be the 29th, 30th, or 31st of a month that does not have that number of days, then the Monthly Calculation Date will be the last day of that month. If the Initial Premium is received after the Policy Date, the Monthly Charges are still calculated beginning on the Policy Date and deducted on the on the date the Initial Premium is received.

**Net Amount At Risk (NAR).** The Net Amount At Risk is calculated on any Monthly Calculation Date by subtracting the Account Value from the Death Benefit discounted to such Monthly Calculation Date at the interest rate specified in Contract Schedule A, under Basis of Computations.

**Net Investment Factor.** The Net Investment Factor is an index that measures the investment performance of an Investment Account from one Valuation Day to the next.

**NonSmoker.** A person who does not currently use and has not in the twelve months before the application is signed smoked any cigarettes.

**S.E.C.** The United States Securities and Exchange Commission.

**Smoker.** A person who is not a NonSmoker as defined above.

**Valuation Day.** Valuation will occur periodically at such intervals as we may reasonably determine. It will be at least as often as policy benefits vary but at least monthly. The day a valuation takes place will be called Valuation Day. Each Valuation Day ends at the Valuation Time.

**Valuation Time.** The Valuation Time is the close of trading on the New York Stock Exchange (or any successor exchange) or, if the securities in which the assets of an Investment Account are invested are not traded on the New York Stock Exchange, the close of trading on any exchange on which such securities are traded, except when the S.E.C. determines that an emergency exists that would make the determination of the value of the securities not reasonably practicable.

**Variable Account.** The Variable Account has been established under Pennsylvania Law. The Variable Account is not part of our General Account.

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## Part 2. Insurance Plan

This Contract provides insurance coverage on the life of the Insured. The Insured is named in Contract Schedule A.

### Death Benefit

If the Insured dies while this Contract is in force, a Death Benefit is payable to the Beneficiary when we receive due proof of death. The amount of Death Benefit depends on the Death Benefit Option selected by you and shown in Contract Schedule A and Contract Schedule D, if any. The amount of the Death Benefit payable is also adjusted as follows:

- (1) by deducting the amount of any unpaid Monthly Charges against the Account Value to the date of death; and
- (2) by deducting the amount of any Contract Loans outstanding against the Account Value on the date of death plus interest accrued but unpaid on such Contract Loans on the date of death; and
- (3) by deducting the amount of any unpaid charges for benefits provided by Rider, if any.

### Death Benefit Options

There are two Death Benefit Options, described below. The Death Benefit Option for this Contract on the Policy Date is shown in Contract Schedule A.

Option 1: The greater of:

- (a) the Face Amount in effect on the date of death; and
- (b) the Account Value on the date of death multiplied by the Minimum Death Benefit Factor shown in Contract Schedule F.

Option 2: The greater of:

- (a) the Face Amount plus the Account Value on the date of death; and
- (b) the Account Value on the date of death multiplied by the Minimum Death Benefit Factor shown in Contract Schedule F.

### Face Amount

Unless otherwise agreed, the Face Amount for this Contract may not be greater than that determined according to Contract Schedule D. The Face Amount on the Policy Date is shown in Contract Schedule A. The table of Selected Face Amounts is shown in Contract Schedule D.

### Minimum Death Benefit Factor

A table of Minimum Death Benefit Factors is included in Contract Schedule F. To ensure that the Contract will qualify as life insurance under the Internal Revenue Code, the Death Benefit will never be less than the Account Value multiplied by the appropriate Minimum Death Benefit Factor.

### Changing the Face Amount

You may, subject to our approval, change the Face Amount or the Table of Selected Face Amounts. You must request the change by notifying us in writing. If we approve the change, it will take effect on the next Contract Anniversary that is at least thirty (30) days after all the required information has been provided to us. Any limitations on the number and/or amount of such changes are shown in Contract Schedule D. Cost of Insurance amounts charged to the Account Value will be adjusted to provide for the change. No such change will be effective if the Insured dies before the date of such change.

### Changing the Death Benefit Option

The Death Benefit Option for this Contract may be changed while this Contract is in effect. You must request the change by notifying us in writing. If we approve the change, it will take effect on the next Contract Anniversary that is at least thirty (30) days after all the required information has been provided to us. The Cost of Insurance amounts will be adjusted to provide for the change. No such change will be effective if the Insured dies before the date of change.

If the Death Benefit is changed from Option 1 to Option 2, the Face Amount after the change will equal the Face Amount immediately prior to the change less the Account Value at the time of the change.

If the Death Benefit is changed from Option 2 to Option 1, the Face Amount after the change will equal the Death Benefit immediately prior to the change.

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#### Time of Payment of Death Benefit

A Death Benefit will usually be paid within seven (7) days of the date due proof of the Insured's death is received by us at our Home Office and any other requirements are satisfied. Payment of any amount of Death Benefit based upon an Investment Account may be delayed if:

- (1) the New York Stock Exchange (or its successor or, if the securities in which the assets of the Investment Accounts are invested are not traded on the New York Stock Exchange, any principal exchange on which such securities are traded) is closed; or
- (2) the S.E.C. determines that an emergency exists that would make the disposal of securities held in the Investment Account or the determination of their value not reasonably practicable.

Settlement of any amounts not based upon an Investment Account will be made not more than six (6) months after due proof of death is received.

#### Interest on Death Benefits

Interest on Death Benefits will be credited as prescribed by law.

#### Beneficiary

You may name or change a Beneficiary by sending written notice to us. A Beneficiary may be revocable or irrevocable. An irrevocable Beneficiary may not be changed without his or her consent. Also an Irrevocable Beneficiary must consent to the exercise of certain other rights by you. There may be different classes of Beneficiaries, such as primary and secondary. These classes set the order of payments. There may be more than one Beneficiary in a class. The Beneficiary designation in effect on the Policy Date is stated in the Application for this Contract.

#### Suicide Exclusion

If the Insured or substitute insured commits suicide, while sane or insane, within two years from the date coverage becomes effective on such person under this Contract, only a limited Death Benefit will be payable. In such case, the amount of the Death Benefit will be equal to the amount of the Net Premiums less any Partial Withdrawals and Contract Loans and any loan interest accrued but unpaid.

Furthermore, if the Insured commits suicide within two years from the date of receipt of any Subsequent Premium Payment which increases the amount of the Death Benefit, or any change of Face Amount or change of Death Benefit Option which increases the amount of the Death Benefit, the amount of the increase in the Death Benefit will be limited to a refund of the Cost of Insurance charges made for such increase.

### Part 4. Premium Payments

#### A. Premium Payments Generally

You may make premium payments at any time, subject to limitations described in this Contract. However, we have the right to promptly refund any amount of premium paid (1) in order to keep this Contract in compliance with state and federal laws and (2) if the premium increases the Net Amount at Risk and requested evidence of insurability is not provided or does not satisfy current underwriting requirements. All funds received by us will be credited to this Contract as a premium payment unless clearly marked otherwise.

#### Where to Pay Premiums

All premiums are payable to us at our Home Office.

#### Premium Loads

Any Premium Loads shown in Contract Schedule B are deducted from premiums received by us prior to allocation to the Investment Accounts. Premium Loads include charges for sales and distribution expenses as well as premium taxes.

#### Net Premiums

A Net Premium is any premium we receive minus any Premium Load.

#### Initial Premium

The Initial Premium is the first premium received and accepted by us.

#### Initial Net Premium

The Initial Net Premium for this Contract is stated in Contract Schedule A.

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#### **Part 4. Premium Payments (Continued)**

##### **Minimum Net Premium**

The Minimum Net Premium at any time is equal to twelve (12) times the first Monthly Charges for the current Contract Year.

##### **Minimum Premium**

The Minimum Premium at any time is equal to the Minimum Net Premium plus the Premium Loads.

##### **Maximum Premium**

The largest amount of premium which can be paid in any policy year is an amount such that the sum of the premiums paid under the policy will not, at any time, exceed the guideline premium limitation referred to in Section 7702 of the Internal Revenue Code of 1986, as amended, or as set forth in any applicable successor provision thereto. This limit is in addition to all other limitations stated in the policy.

##### **Subsequent Premiums**

Each premium payment made after the Initial Premium has been paid is known as a Subsequent Premium payment. Subsequent Premium payments may be made on any Valuation Day and in any amount, subject to certain limitations. The premium may not be less than the minimum premium stated in Schedule A. If the premium increases the Net Amount at Risk, evidence of insurability may be required.

##### **Premium Payment to Prevent Lapse**

Whenever this Contract is in danger of lapsing because the Net Account Value is insufficient to pay the Monthly Charges, the amount of premium required to prevent lapse is equal to three (3) times the Monthly Charges then due plus any applicable Premium Loads.

##### **Premium Payments to Reinstate Insurance Coverage**

When insurance coverage has lapsed due to insufficient Net Account Value, the amount of premium required to reinstate the insurance coverage is equal to three (3) times the Monthly Charges due on the Monthly Calculation Date immediately preceding the effective date of Reinstatement, plus any applicable Premium Loads. Evidence of insurability satisfactory to us is required to reinstate.

##### **Premium Notices**

Notices of any premium payments necessary to prevent lapse of insurance coverage or to reinstate insurance coverage will be sent to you.

#### **B. Allocation of Net Premiums to or among the Investment Accounts**

Net Premiums are allocated to or among the Investment Accounts in accordance with your instructions, subject to the Net Premium Allocation Limitations stated in Contract Schedule A, and further subject to any limitations stated in Contract Schedule C. If no instructions are received from you with a premium payment, such Net Premiums will be allocated to the Investment Accounts in the same proportions as stated in the most recent recorded instructions received from you.

##### **Timing**

Net Premiums received prior to the Valuation Time on any Valuation Day will be allocated as of the date they are received. Net Premiums received after such time will be allocated on the next Valuation Day.

##### **During Free Look Period**

Any Net Premiums received prior to the end of the Free Look Period will be allocated to the Money Market Investment Account. At the end of such period, the Net Account Value will be allocated to any Investment Accounts then available according to your instructions for allocation of Net Premiums. No allocation instructions received from you during the Free Look Period will be acted upon.

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### Part 9: The Investment Accounts

Subject to the conditions set forth in this Part, you have the right to allocate and re-allocate the Account Value of this Contract among the Investment Accounts on any Valuation Day.

#### The Investment Accounts

The assets in each Investment Account are kept segregated from our General Account and from any other of our Investment Accounts. We own the assets of the Investment Accounts. Those assets will only be used to support our variable products and for any other purposes permitted by applicable laws and regulations. The portion of the assets of an Investment Account equal to the reserves and other Contract liabilities with respect to such Investment Account will not be charged with liabilities that arise from any other business we may conduct. We may, however, transfer from an Investment Account to our General Account assets that exceed the reserves and other Contract liabilities with respect to such Investment Account. Income, gains, and losses, whether or not realized, from each Investment Account are credited to or charged against that Investment Account and without regard to the income, gains, or losses of any other Investment Account and without regard to any of our other income, gains, or losses.

With respect to the assets required to be maintained in the Investment Account for the benefit of you, the term "reserves" will in no event be less than an amount equal to the sum of the Net Account Value, pursuant to part 6-Account Value.

We reserve the right to: (1) establish and operate the Variable Account as a managed account or an account which purchases shares from the portfolios of funds managed by investment managers retained by us; (2) register or deregister the Variable Account under the Investment Company Act of 1940; (3) operate the Investment Accounts as unit investment trust registered, or exempt from registration, under the Investment Company Act of 1940 or any other form permitted by law

#### Transfers

Transfers between or among Investment Accounts may be made on any Valuation Day (see, however, Availability of Funds, in Part 11). Transfers must be requested by you in a form acceptable to us. We reserve the right to limit the amount of any transfer. The maximum number of transfers per Contract Year is shown in Contract Schedule C. Written confirmation of each transfer will be sent to you.

#### Investments of the Accounts

We may contract with investment managers to manage directly the assets held in the Investment Accounts. We may deduct an Asset Charge from the Account Value allocated to Investment Accounts that are managed directly as well as any costs and expenses arising from such Investment Accounts. In either case, investment managers are selected by us in our discretion.

#### Changes in the Investment Accounts

We have the right to establish additional Investment Accounts, and to establish other investment options, from time to time. For any Investment Account, we have the right to substitute a new portfolio for the portfolio in which the Investment Account invests, to substitute new Investment Accounts, to combine two or more Investment Accounts, and to eliminate any existing Investment Accounts or any other investment option. Subject to any required regulatory approvals, we reserve the right to transfer assets of an Investment Account to another Investment Account that we determine to be associated with the class of contracts to which the Contract belongs.

#### Valuation Period

The Valuation Period is the period of time between Valuation Times. The Valuation Period begins as of the end of the previous Valuation Day.

The value of an Investment Account reflects:

- Any amounts transferred to the Investment Account during the current Valuation Period;
- The investment income and realized and unrealized capital gains credited to such assets in the Valuation Period;
- Any amounts transferred from an Investment Account during the current Valuation Period;
- Realized and unrealized capital losses charged against those assets during the Valuation Period;
- Any amount charged or reserved against the Investment Account for taxes;
- Any expenses charged or reserved against the Investment Account for expenses incurred in operating such Investment Account;
- The mortality and expense risk charge for the Valuation Period; and
- Any other Monthly Charges deducted from the Investment Account for This Contract.

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### **Part 5. The Investment Accounts (Continued)**

The Account Value will increase or decrease in accordance with the increases and decreases in the value of the Investment Accounts in which the Account Value is invested.

#### **Accumulation Units**

Accumulation Units are used to measure the Account Value allocated to each Investment Account. The value of a unit is determined as of the Valuation Time on each Valuation Day. The value of any unit will vary from Valuation Day to Valuation Day to reflect the investment performance of the Investment Account applicable to that unit.

Amounts allocated to the Investment Accounts are applied to provide Accumulation Units in each Investment Account. The number of Accumulation Units credited to each Investment Account is determined by dividing the amount allocated to an Investment Account by the dollar value of one Accumulation Unit for such Investment Account.

We reserve the right to split or consolidate the number of Accumulation Units credited to this Contract with a corresponding increase or decrease in the unit values. We may exercise this right whenever we consider an adjustment of units to be desirable. No adjustment will have any material effect on the benefits, provisions or investment return of this Contract, or on you, the Insured, any Beneficiary, any assignee or other person, or on us.

#### **Accumulation Unit Value**

The Value of an Accumulation Unit in each Investment Account is \$1.00 on the first Valuation Day for that Investment Account. The value of any Accumulation Unit on any subsequent Valuation Day is equal to its value on the preceding Valuation Day multiplied by the Net Investment Factor for that Investment Account for the Valuation Period.

#### **Gross Investment Rate**

The Gross Investment Rate of an Investment Account for any Valuation Period is equal to the net earnings of that Investment Account during the Valuation Period divided by the value of the total assets of that Investment Account at the beginning of the Valuation Period.

#### **Net Earnings**

The Net Earnings of each Investment Account is equal to the accrued investment income and capital gains and losses (realized and unrealized) of that Investment Account, reduced by any amount charged against that Investment Account for taxes paid or reserved by us.

The Gross Investment Rate and Net Earnings of each Investment Account will be determined by us in accordance with generally accepted accounting principles and applicable laws, rules, and regulations.

#### **Mortality and Expense Risk Charge**

The Mortality and Expense Risk Charge is deducted daily from each Investment Account. The maximum charge is stated in Contract Schedule B.

#### **Asset Charge**

An Asset Charge may be deducted daily from each Investment Account managed directly by one or more investment managers. It consists of the money management fees, any custodial fees and other investment related expenses. Any Asset Charges applicable to such Investment Accounts are shown in Contract Schedule C.

#### **Net Investment Factor**

The Net Investment Factor is determined for each Investment Account for each Valuation Period. The Net Investment Factor equals the Gross Investment Rate for such period plus one (1.0) and minus the Mortality and Expense Risk Charge and any Asset Charge.

#### **Crediting and Canceling Accumulation Units**

Transactions that require the crediting and canceling of Accumulation Units will be made as of the Valuation Time on the Valuation Day in which the transaction is effected. Premium payments and requests for loans, withdrawals, transfers, etc. received after the Valuation Time will be effective on the next Valuation Day.

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## A. Contract Values

### Account Value

The Account Value of this Contract on any date is the value of the Investment Accounts plus the value of the Borrowed Fund.

The Account Value when the Initial Premium is received is equal to the Net Premium invested in the Investment Accounts, less:

- (a) Cost of Insurance Charges (deducted on each monthly calculation date); and
- (b) Policy Loads; and
- (c) any Charges for Special Insurance Class Rating.

The Account Value on any subsequent Valuation Day is equal to the Account Value on the prior Valuation Day plus:

- (a) any new Net Premium invested in the Investment Accounts; and
  - (b) any increase in value of the Investment Account due to investment results (net of Mortality and Expense Risk Charges and any Asset Charges); and
  - (c) any interest credited to the Borrowed Fund;
- less;

- (a) any decrease in value of the Investment Account due to investment results (net of Mortality and Expense Risk Charges and any Asset Charges); and
- (b) Cost of Insurance Charges (deducted only on Monthly Calculation Date); and
- (c) any Partial Withdrawals taken; and
- (d) any Rider Charges deducted from the Account Value; and
- (e) any Policy Loads; and
- (f) any Charges for Special Insurance Class Rating; and
- (g) any Other Charges as stated in Contract Schedule B.

Contract Values are not less than required by the state in which the policy is delivered.

### Net Account Value

Net Account Value is the Account Value minus any Contract Loan balance and accrued unpaid interest.

## B. Charges Deducted from the Account Value

The following charges may be deducted from the Account Value that is invested in the Investment Accounts. These charges are deducted pro-rata from each Investment Account.

### Cost of Insurance

Cost of Insurance (COI) Charges are deducted from the Account Value on each Monthly Calculation Date. Guaranteed Cost of Insurance Charges are determined by multiplying the applicable COI rates from the table or tables in Contract Schedule E times the Net Amount At Risk (NAR) calculated as of the last day of the prior Contract Month, divided by 1,000. Current COI charges may be lower.

### Rider Charges

Charges for Riders, if any, deducted from the Account Value are shown in the Contract Schedules for such Riders.

### Policy Loads

Policy Loads may apply at issue and upon increases in Face Amount and changes in Death Benefit Option. These charges are deducted at issue or at the time of the increase in Face Amount or change in Death Benefit Option. Any Policy Loads are shown in Contract Schedule B.

### Charges for Substandard Insurance Class Rating

If the Insured has a Substandard Insurance Class Rating, charges applicable to such Ratings may apply. These charges are deducted from the Account Value on each Monthly Calculation Date. If any charges apply, they are shown in Contract Schedule B.



## Part 7. Contract Loans

### Contract Loans

You may request a loan against this Contract. This Contract must be assigned to us as sole security for the loans. A loan may take place only on a Monthly Calculation Date. An amount equal to the amount borrowed will be transferred from the Investment Accounts to the Borrowed Fund of our general account. Any such transfer is made by canceling Accumulation Units in the Investment Accounts and applying the value of those units to the Borrowed Fund. Unless other specific instructions are received from you, the loan will be taken from the Investment Accounts in proportion to the amount of your then current Account Value in each Investment Account.

### Maximum Loan

The Maximum Loan amount for this Contract is equal to the Account Value less the sum of the following:

- (a) outstanding loan amount together with unpaid accrued loan interest; and
- (b) the Minimum Net Premium for the current Contract Year; and
- (c) loan interest charges until the next Contract Anniversary.

### Borrowed Fund

The Borrowed Fund is a portion of our general account reserved for amounts held as collateral for Contract Loans. The initial amount of the Borrowed Fund will be equal to any loan principal. Interest will be credited to the Borrowed Fund at the Borrowed Fund Crediting Rate described below.

Interest credited to the Borrowed Fund will be transferred to the Investment Accounts on each Contract Anniversary. The amount so transferred will be allocated among the Investment Accounts in proportion to the Account Value in each Investment Account.

Amounts of interest charged against the loan principal and unpaid on each Contract Anniversary will be added to the amount of the loan principal in the Borrowed Fund. An amount equal to the unpaid interest will be transferred from the Investment Accounts to the Borrowed Fund on the Contract Anniversary. This amount will be transferred from the Investment Accounts in proportion to the Account Value in each Investment Account.

### Borrowed Fund Crediting Rate

Interest credited to amounts held in the Borrowed Fund as collateral for loans will be at least equal to the rate stated under "Basis of Computations" in Contract Schedule A. Interest will be credited such that the Borrowed Fund Crediting Rate is always equal to the Loan Interest Rate less the Loan Interest Spread stated in Contract Schedule B. The Borrowed Fund Crediting Rate may not be changed more frequently than annually. Any change in the Borrowed Fund Crediting Rate for this Contract will be effective on a Contract Anniversary. You will be notified of any such change.

### Loan Interest Rate

The current Loan Interest Rate will be applied to the entire outstanding loan balance. Interest is due annually in arrears. Any unpaid interest on any outstanding loans will be added to the outstanding loan amount as of the Contract Anniversary.

### Repayment of Loan

All or part of any Contract Loan plus accrued interest may be paid at any time while this Contract is in force.

Any repayment of a Contract Loan will result in the transfer of values equal to the repayment out of the Borrowed Fund and the application of those values to the Investment Account as a Net Premium payment. Unless other specific instructions are received from you, these values will be applied to the Investment Accounts in proportion to the amount of your current Account Value in each Investment Account.